



NEWS RELEASE

Scott Pruitt Former Administrator of the EPA to Defend Indiana Rate Payers

DENVER, April 20, 2019 (Nasdaq: HNRG) - Scott Pruitt, former Administrator of the EPA has registered on behalf of Rail Point Solutions LLC, a subsidiary of Hallador Energy Company, as a lobbyist to attempt to protect the ratepayers of Indiana from Vectren and NIPSCO rate increases. Both of these Indiana utilities are proposing policies that will increase their customers' electricity bills. The Indiana Utility Regulatory Commission (IURC) ultimately will decide the outcome of these policies, but Vectren and NIPSCO are arguing that the IURC should close plants based on Obama era rules that Trump and his EPA are in the process of unwinding. Their argument is that no one knows what the new rules will look like so we should hurry and make permanent decisions today. Who better than Scott Pruitt to aid the Indiana legislature on what Trump energy policy will look like?

If the IURC rules in Vectren and NIPSCO's favor, both utilities will likely receive accelerated payments on the plants they are closing plus a guaranteed return on their investment in new plants. Such a ruling would bring great profits to the utilities' shareholders at the expense of their customers. In Vectren's case, a study shows that the average Vectren customer's rates will increase by 27%, if their project stays on budget.

In the last 10 years, Indiana coal consumption has declined by 26%, at the same time Indiana electricity rates have increased by 26%. Is there a correlation? At the same time, Indiana has slipped from the 6th most competitive state based on electricity rates to 30th. Will this affect job creation?

Ultimately, Governor Holcomb is not allowed to instruct the IURC on energy policy, it is up to the Indiana legislature to create an energy plan for the IURC to follow. We are asking the legislature to add two sentences to the budget bill that prevent the IURC from making decisions based on rules that the EPA is currently reconsidering, and in some instances has already reversed. We are asking the Indiana legislature to act and prevent rates from increasing unnecessarily. A failure to act will most assuredly lead to higher rates on Indiana consumers and businesses. We are reaching out to our friends in the Indiana Chamber of Commerce and Indiana Manufacturer Association to ask them to help us in this effort.

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